

Notice of Changes in Income Tax Withholding on Benefit Payments

Beginning in April 2009, Kentucky Teachers' Retirement System (KTRS) will use new federal withholding tables that may reduce the amount of income tax withheld from your benefit payments. The new tables, prescribed by the Department of the Treasury, reflect the Making Work Pay credit and other changes resulting from the American Recovery and Reinvestment Act of 2009.

You do not have to submit a **Form W-4P**, "Withholding Certificate for Pension or Annuity Payments," to get the automatic withholding change. If you do not want to have your withholding reduced (because, for example, you have more than one source of income or you are married and your combined income places you in a higher tax bracket), you may want to file a new Form W-4P with KTRS. You may claim fewer withholding allowances on line 2 or request additional amounts to be withheld on line 3. You should address specific questions regarding your particular circumstances to your tax advisor. For additional help, get IRS **Publication 919**, How Do I Adjust My Tax Withholding? or visit the IRS website at www.irs.gov and use the "Withholding Calculator."

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